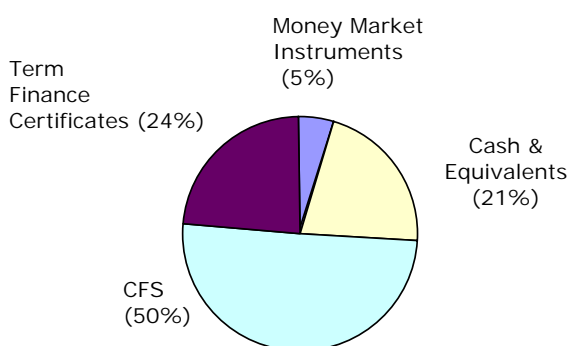


Investment Objective	Performance					
To seek preservation of capital and earn a reasonable rate of return via investing in money market and debt securities with investment-grade rating, CFS and spread transactions.	Annualized Performance (%)	Qtr 1 - 2006 (Jun – Aug)	September 2006	October 2006	November 2006	Since Launch April 22, 2006
	NAFA Cash Fund:	9.9%	10.2%	9.4%	10.9%	10.3%
	Benchmark:	9.3%	9.5%	9.7%	9.7%	9.6%
Profit on Rs. 100,000 invested	Rs. 2,502	Rs. 835	Rs. 801	Rs. 895	Rs. 6,190	

General Information		Fund Manager Commentary
Launch Date:	April 22, 2006	<p>The month of November saw new rules and regulations being introduced at the Karachi Stock Exchange, with the SECP tightening risk management systems.</p> <p>The SECP has raised the CFS limit to Rs. 55 billion from Rs. 24.5 billion, and has banned the use of in-house Badla. It has also increased the number of CFS eligible shares from 30 to 71. These new regulations will help the NAFA Cash Fund diversify its investments across different scrips. These measures are being introduced by the Regulator to improve risk controls and restore investor confidence. As the cap for CFS financing has been raised, it will be easier for our Fund to deploy its money. The new risk management systems bring our market very close to the international standards, and have substantially reduced the risk of default in CFS/RFS.</p> <p>The SECP also abolished netting across settlement, where a Stock Exchange Member now has to submit separate exposures for each of the transactions carried on its behalf.</p>
Fund Size:	Rs. 5.2 billion	
Type:	Open-end – Fixed Income Fund	
Dealing:	Daily	
Settlement:	2-3 business days	
Load:	No entry or exit load	<p>It has also been decided that Financial Institutions (FIs – mutual funds &amp; banks) executing transactions would be required to deposit margins directly with the Exchanges. Those brokers executing transactions for and on behalf of the FIs, will put margins only for three hours after executing the transactions. The FIs will confirm the transactions within three hours of execution, after which their own account will be marked for the exposure taken. These transactions will be protected by the National Clearing House of the Exchange.</p> <p>A member who executes transactions on behalf of the FIs in CFS will only act as an agent. Thus the default risk of the broker is not expected to impact the lender. In the event that the counter-party defaults, the National Clearing House will have full responsibility for FIs' transactions.</p> <p>NAFA Cash Fund is expected to earn a high net rate of return through the placement of funds in CFS due to the decreased commission rates as all mutual funds will now be putting in their own margins rather than the broker doing the same on their behalf. The rate of return is also expected to increase from current levels once in-house badla is fully transformed into the current CFS market.</p>
Management Fee:	1.5% per annum	
Listing:	Lahore Stock Exchange	
Custodian & Trustee:	Central Depository Company (CDC)	
Auditors:	A. F. Ferguson & Company	
Benchmark:	1-month KIBOR rate	
Fund Manager(s)	Ms. Rukhsana Narejo	
Minimum Subscription:	Growth Unit: Rs. 10,000/- Income Unit: Rs. 100,000/-	

### Asset Allocation



**Disclaimer:** *The price of units may go down as well as up. Please refer to respective offering document(s).*

**National Fullerton Asset Management Ltd.**  
9<sup>th</sup> Floor, Adamjee House, I.I.Chundrigar Road,  
Karachi-74000, Pakistan.  
Toll Free: 0800-20001 UAN: +92-21-111-111-632  
Fax: +92-21-2467605

Website: [www.nafafunds.com](http://www.nafafunds.com) Email: [info@nafafunds.com](mailto:info@nafafunds.com)

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